

## Message Text

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47

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 H-02 INR-07 L-03 NSAE-00

NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 COME-00 EB-07

LAB-04 SIL-01 SAM-01 OMB-01 /073 W

----- 023428

R 151210Z JUL 76

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 7858

INFO USMISSION EC BRUSSELS

AMEMBASSY LONDON

AMEMBASSY MADRID

AMCONSUL OPORTO

AMEMBASSY OSLO

AMEMBASSY PARIS

AMCONSUL PONTA DELGADA

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

USMISSION NATO

DIA WASHDC

USCINCEUR VAIHINGEN GER

COMUSFORAZ LAJES FLD AZ

C O N F I D E N T I A L LISBON 4764

E.O. 11652: XGDS-4

TAGS: ELAB PINT PO

SUBJECT: VIEWS OF MINISTER OF LABOR "DESIGNATE"

43\*: (A) LISBON 4763 (DTG 151206Z JUL 76) NOTAL, (B) LISBON 4732  
(DTG 141356Z JUL 76) NOTAL, (C) LISBON 3465 (DTG 241600Z MAY 76)  
NOTAL, (D) LISBON 4729 (DTG 141319Z JUL 76) NOTAL.

SUMMARY: MARCELO CURTO STATED HE IS TO BE THE NEW  
MINISTER OF LABOR IN THE SOCIALIST GOVERNMENT. HE SAID  
THAT THE PS MAY FORM TACIT ALLIANCES FOR UNION ELECTIONS  
WITH THE PPD AND ALSO WITH THE COMMUNIST PARTY. HE  
JUSTIFIED RECENT POSITIONS OF AN IMPORTANT SOCIALIST-LED  
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UNION CRITICAL OF THE GOVERNMENT. CURTO CONTINUES

TO SOUND LIKE A LEFT-WING SOCIALIST BUT HIS WORDS  
NEED TO BE BALANCED AGAINST RECENT CONSTRUCTIVE LEGIS-  
LATION FROM THE MINISTRY OF LABOR. END SUMMARY.

1. DURING MEETING JULY 14 BETWEEN SECRETARY OF STATE  
FOR LABOR MARCELO CURTO AND LABATT TO DISCUSS LAJES  
BASE LABOR RELATIONS (REF A), CURTO VOLUNTEERED HE IS  
TO BE THE NEW MINISTER OF LABOR  
(REF B). FOLLOWING ADDITIONAL SUBJECTS WERE DISCUSSED:

2. POSSIBILITY OF COLLABORATION BETWEEN PS AND PPD:  
CURTO OPENED CONVERSATION BY COMMENTING THAT PCP IS  
HOPING THAT SOCIALISTS WILL FORM AN ALLIANCE WITH THE  
POPULAR DEMOCRATIC PARTY (PPD). HE IMPLIED THIS  
WOULD GIVE THE COMMUNISTS THE OPPORTUNITY THEY ARE  
SEEKING TO "PROVE" THAT THE PS NO LONGER IDENTIFIES  
WITH THE WORKERS' INTERESTS. LABATT NOTED THAT THE  
PCP HAD RECENTLY WON ELECTIONS IN THE PHARMACEUTICAL  
WORKERS UNION, THE NATIONAL TEACHERS UNION, AND THE  
PUBLIC EMPLOYEES UNION BECAUSE THE PS AND THE PPD HAD  
EACH RUN SEPARATE SLATES OF CANDIDATES. CURTO  
ADMITTED THIS WAS TRUE. HE SAID THE PS HAD DECIDED  
AGAINST FURTHER ALLIANCES IN UNION ELECTIONS AT ITS  
AVEIRO CONFERENCE BUT THAT THIS DID NOT RULE OUT  
OCCASIONAL TACTICAL COOPERATION WITH THE PPD IN THE  
NORTH. CURTO ADDED THAT LIKEWISE THE SOCIALISTS  
MIGHT MAKE SIMILAR UNDERSTANDINGS WITH COMMUNIST  
CONTROLLED UNIONS IN THE LISBON AREA.

3. ATTITUDE TOWARD JOINT SOCIALIST/INTERSINDICAL  
LABOR CONGRESS: CURTO LAMENTED THAT SOCIALIST-LED  
UNIONS WERE BEING SUCKED INTO A MINORITY POSITION IN  
THEIR DEALINGS WITH INTERSINDICAL AND YET WERE FAILING  
TO REACT. HE STATED INTERSINDICAL IS STILL CLAIMING  
TO SPEAK FOR THE ENTIRE LABOR MOVEMENT, WITHOUT RECOGNIZING  
THE EXISTENCE OF A SIZABLE DISSIDENT SOCIALIST FACTION.  
AS LONG AS THIS IS THE CASE THE SOCIALISTS SHOULD NOT  
ENTER INTO A JOINT NATIONAL LABOR CONGRESS. NEVERTHE-  
LESS, AS A PRACTICAL MATTER, THE SOCIALIST UNIONS ARE  
BEING DRAGGED ALONG BY INTERSINDICAL IMPETUS TOWARD  
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SOME KIND OF AN EVENTUAL LABOR CONGRESS FROM WHICH THEY  
WILL INEVITABLY EMERGE IN A MINORITY POSITION.

4. FUTURE RELATIONS BETWEEN SOCIALIST UNIONS AND  
GOVERNMENT: LABATT NOTED THAT THE SOCIALIST-CONTROLLED  
LISBON BANK WORKERS UNION HAS ADOPTED A LINE CRITICAL OF  
THE GOVERNMENT AND ASKED WHETHER CURTO ANTICIPATED TROUBLE  
FROM OTHER SOCIALIST-LED UNIONS. CURTO REPLIED THAT THE

BANK WORKERS WERE OPPOSING POLICIES OF SECRETARY OF STATE SANTOS SILVA (EX-PPD) WHO HAD BEEN UNDULY PROTECTED BY FINANCE MINISTER SALGADO ZENHA (A PS MODERATE). HE IMPLIED THAT GOVERNMENT WOULD NEED TO TAKE WORKERS' INTERESTS INTO CONTINUED CONSIDERATION.

5. LABOR RELATIONS WITH U.S. MULTINATIONALS: CURTO EXPRESSED APPRECIATION FOR THE AMBASSADOR'S HELPFUL ROLE IN THE RECENT FIRESTONE IMPASSE. LABATT SAID WE HOPED WE COULD JOINTLY TAKE STEPS TO AVOID PROBLEMS RATHER THAN RESOLVE THEM AFTER THEY AROSE. THE SITUATION OF GENERAL INSTRUMENTS (GIL) WAS CITED AS A POTENTIAL PROBLEM. CURTO INDICATED AWARENESS OF THE CASE BUT STUDIOUSLY REMAINED NONCOMMITAL.

6. COMMENT: CURTO WILL BE A PARTISAN IN THE CABINET FOR WHAT HE SEES AS THE WORKERS' INTERESTS. HIS COMMENTS REGARDING POSSIBLE COLLABORATION BETWEEN SOCIALIST AND COMMUNIST UNIONS AND HIS IMPLIED CRITICISM OF SALGADO ZENHA ARE CONSISTENT WITH SOME OF HIS PREVIOUS STATEMENTS (REF C). THESE STATEMENTS NEED TO BE BALANCED, HOWEVER, WITH THE RECENT CONSTRUCTIVE LABOR LEGISLATION (REF D) ORIGINATING IN SUBSTANTIAL PART IN THE MINISTRY OF LABOR WITH CURTO'S APPROVAL. IN BRIEF, CURTO CONTINUES TO BE A BIT OF AN ENIGMA. HIS PERFORMANCE WILL NEED TO BE WEIGHED AS CAREFULLY AS HIS WORDS. MUCH WILL ALSO DEPEND ON THE SECRETARIES OF STATE CURTO CHOOSES TO ASSIST HIM. IF COMPETENT AND EXPERIENCED OFFICIALS LIKE MADUREIRA AND MALDONADO REMAIN, THERE IS A POSSIBILITY THAT THE SOCIALIST LEADERSHIP OF THE MINISTRY COULD GIVE A RELATIVELY BALANCED PERFORMANCE.  
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